

## Interview with Ambassador Stuart Bernstein

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR STUART BERNSTEIN

Interviewed by: Charles Stuart Kennedy

Initial interview date: December 9, 2005

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*Q: Okay, it is the 9th of December 2005 and this is an interview with Ambassador Stuart Bernstein. And this is being done on behalf of the Association of Diplomatic Studies and I am Charles Stuart Kennedy. What do you go by? Stuart? Stu?*

BERNSTEIN: I go by Stuart. Some people call me Stu.

*Q: Obviously, you would do both but, alright, we'll stick with Stuart. Stuart, lets start at the beginning. When and where were you born?*

BERNSTEIN: Washington D.C. on April 9th, 1938.

*Q: Oh that's Appomattox Day, isn't it?*

BERNSTEIN: I know April 9th is when Denmark was invaded by the Nazis and taken over.

*Q: Something very memorable there. Well, lets talk first about your parents, on your father's side, what do you know about tracing back your father's family?*

BERNSTEIN: My father, Leo Bernstein, his grandfather, and great grandfather came in the 1880'188from an area in Lithuania, which I have since visited. Interestingly enough my

## Library of Congress

mother was born a half-hour away by car in another little town that I found in that same area.

*Q: Is there any family lore or anything? Do you know why they left and what your great grandfather and all had been occupied in, in Lithuania?*

BERNSTEIN: No, they were just very fortunate. They had pogroms in that part of the world where Jews were persecuted and discriminated against. I feel very blessed that they came to America.

*Q: Where did family get settled?*

BERNSTEIN: In Washington, D.C.

*Q: In Washington, would it have been your great grandfather who came here?*

BERNSTEIN: Actually, my grandfather came and then my great grandfather came.

*Q: But it was your grandfather who was the first.*

BERNSTEIN: I have eleven grandchildren and they represent the sixth generation of our family to be Washingtonians. Not necessarily born here, but to be residents and members of Washington.

*Q: What did your grandfather do?*

BERNSTEIN: My great grandfather was a teacher—a rabbi—and my grandfather owned an Army Navy surplus store at 10th and D where the FBI building is today.

*Q: Oh yes, I remember that. That's also where they had a hirlihue theater nearby. I remember the area back in the early 40's.*

## Library of Congress

BERNSTEIN: My mother's family comes from Baltimore, and interestingly enough, her maiden name was also Bernstein, so when my father married my mother she didn't have to change it. I'm very blessed they're both alive today.

*Q: That's wonderful.*

BERNSTEIN: My mother is 87 and my father is 90.

*Q: Well now, how Jewish was your family, I'm talking about religious observance and all that.*

BERNSTEIN: Medium. All Jews were originally orthodox. We belong to a conservative synagogue; we're middle of the road so to speak. But I have a son who is orthodox.

*Q: And there were several synagogues around Chinatown, some rather large temples.*

BERNSTEIN: Yes, that's correct: 6th and I, the old Adas Israel synagogue. They recently restored it.

*Q: Did you attend regularly?*

BERNSTEIN: Yes. I would say we're conservative, and we go on the high holidays — Rosh Hashana, Yom Kippur, the New Year — but not overly religious.

*Q: We'll come back in a minute. Did your mother's side also come from Lithuania?*

BERNSTEIN: From around that same area.

*Q: And when did they come out?*

BERNSTEIN: My mother's side has a member, Howard Margel, who specializes in tracing one's roots.

## Library of Congress

*Q: Genealogy.*

BERNSTEIN: Genealogy. He found that her family came maybe as early as the 1700s and they landed in Baltimore.

*Q: Well there was rather a thriving Jewish community in Baltimore.*

BERNSTEIN: Sure.

*Q: On your mother's side, what were they concerned with?*

BERNSTEIN: On my mother's side...I'm not sure what their jobs or professions were. I know on my father's mother's side they were musicians.

*Q: How did your mother and father meet?*

BERNSTEIN: My father met her once when he went over to Baltimore. He was part of a fraternity or a group that would go over to meet girls in Baltimore.

*Q: I can't remember if there was a trolley, or not, that went back and forth.*

BERNSTEIN: I don't know, but it was a long ride in those days. It took a while.

*Q: Where was your home, I mean your house?*

BERNSTEIN: I grew up in Shepherd Park, off of 16th street, in Northwest. Right across from Shepherd Elementary School, and when I was 13 we moved downtown. My father built a house right off of Massachusetts Avenue, on Tracy Place. I lived there until I went to college. I went to Michigan State University for a year and then came back and transferred to American University, where I graduated. That's how I got into the real estate business.

*Q: Let's take Shepherd Park first, what kind of neighborhood was this?*

## Library of Congress

BERNSTEIN: Nice neighborhood, very nice, very suburban. That was considered like going out to Bethesda today. It was right before East-West Highway.

*Q: Could you get out and play in the streets and all of that?*

BERNSTEIN: Oh yes, you didn't even lock your front door. I lived on the ball field across the street.

*Q: What type of neighborhood was it? Was it mixed, was it mainly Jewish?*

BERNSTEIN: Mixed. It wasn't Jewish. It is pretty Jewish now because there are some synagogues around there.

*Q: I've seen those there.*

BERNSTEIN: Jonquil and Juniper. It has gotten religious now, but back then it was just a nice suburban neighborhood.

*Q: Where did you go to elementary school?*

BERNSTEIN: Right there, Shepherd Elementary.

*Q: How did you find it?*

BERNSTEIN: Very good, very good.

*Q: D.C. schools were really first rate in those days.*

BERNSTEIN: Yes, back then pretty good. Those were the days when they had the commissioner system and Washington was pretty well run. This mayor has done a really good job of bringing it back, but the school problem hasn't been solved yet.

*Q: Well now, do you have brothers? Sisters?*

## Library of Congress

BERNSTEIN: I have a younger brother and a younger sister. I'm the eldest.

*Q: What was family life like? Was your father pretty well occupied with the store all the time?*

BERNSTEIN: My father was in the real estate business and he worked a lot, but I remember Sundays were times when we would all go down to 14th and F where the Palace or the Capitol movie theatres were. Are you a Washingtonian?

*Q: I lived in Annapolis during the 40's, so I used to come up to the big city, to see the movies on F Street.*

BERNSTEIN: So we would go to the movies and go to dinner down there on Sundays so that was a good time. We had a place in Shadyside, Maryland. Do you still know Annapolis? Are you still involved?

*Q: Not much, but I have gone back from time to time.*

BERNSTEIN: We do some real estate in Annapolis. I had a summer place, growing up there as a kid. From the age of 10 until I was in my 40s we had a home down in Shadyside, Maryland, which was nice.

*Q: Was it a family that ate together and talked about situations and all that.*

BERNSTEIN: We had dinner every night together, my father would come home for dinner. We didn't necessarily get into things like politics back then.

*Q: I was wondering, where, would you say, your family fell politically.*

BERNSTEIN: Democrats, liberal basically. It was pretty common for Jews to be Democrats.

## Library of Congress

*Q: For an awful lot of people, I mean the New Deal was going on for a long time. People were still, "I gotta consider myself a New Deal Democratic." So the world of Washington included the political?*

BERNSTEIN: My observation is that as a consequence of not having the vote, living in Washington, we weren't into national politics that much. My father was in real estate business, and that was what we talked about. I am familiar with the city, and love the city. It's a great city.

*Q: Was your father into any particular type of real estate?*

BERNSTEIN: Well, he did a little bit of everything. He had a general real estate business where he did sales, had a sales department, insurance, and management. In fact, that's how I got into business. I took over the management company when I was a sophomore in college. He invented syndication, so to speak, and buying old buildings and restoring them. He was a pioneer—he was the first one to buy old houses right after the war, fix them up, and sell them.

*Q: Early on, what was the impact at that time of segregation in Washington? Were there certain areas you wanted to avoid?*

BERNSTEIN: Well, one of the things my father is most proud of is he broke the covenant of who you could sell to. There were areas in Washington where you couldn't sell to a black, so he broke that barrier. There was a write-up about him.

*Q: Did you feel...?*

BERNSTEIN: I didn't feel, as a Jew, that I grew up with any anti-Semitism and I didn't run into segregation. That was never a problem. We were raised to be tolerant of all people.

## Library of Congress

*Q: I assume that, as most kids growing up at that time, the schools were not integrated at that time.*

BERNSTEIN: No, I don't remember any blacks in my elementary school or in junior high school.

*Q: Where you much of a reader?*

BERNSTEIN: No.

*Q: What courses, in elementary and middle school, what courses interested you? Or were you much of a student?*

BERNSTEIN: I wasn't much of a student. In fact, I had problems reading.

*Q: Maybe a little dyslexia or something?*

BERNSTEIN: Yes, I had a little dyslexia I'm sure. I remember I had a tutor in the 2nd grade for reading. I just don't see the word and I'm a horrible speller. As a youth, my interests were, in sports and business. History always fascinated me.

*Q: Did you get out and around to the public buildings much in those days, as a kid? I'm thinking of the museums and things.*

BERNSTEIN: No, not too much.

*Q: You were pretty close to Walter Reed, weren't you?*

BERNSTEIN: Yes

*Q: Did you get to play around on the grounds there?*

BERNSTEIN: No, not too much.



## Library of Congress

*Q: I can't remember whether it was fenced off in those days or not.*

BERNSTEIN: Yes, I think it was. We were sort of a couple of miles away.

*Q: Where did you go to high school?*

BERNSTEIN: I went to Western High School. When we moved downtown I went to Gordon Junior High School and then to Western High School, but my senior year I went to Milford Prep School in Milford, Connecticut.

*Q: How did you find that?*

BERNSTEIN: I was the one who decided I wanted to go there. When I started talking to the counselor about college, realizing my grades were not that good, I thought it would be helpful if I went there. And it was very helpful, because there was nothing else to do but study and I learned how to discipline myself. That's how I ended up at Michigan State University.

*Q: What attracted you to Michigan State?*

BERNSTEIN: They came recruiting, looking for Easterners, and the counselor at Milford recommended it. So, I went there one year and it was good. I didn't work that hard and my father came out, in the spring, and said, "look. I sold off the sales department. I sold off the insurance department. You said you always wanted to go into the real estate business. Come back to Washington, go to school in Washington and take over the management business." So I transferred back to American University and my father went into the title insurance business. So I had a three-man office, and I would come in two, three hours a day and just supervise and that's how I started in the real estate business.

*Q: What sort of properties were you managing?*

## Library of Congress

BERNSTEIN: Mostly apartments, owned apartment houses.

*Q: You were going to American U from when to when?*

BERNSTEIN: I went to Michigan State in 1956-57, so it was the fall of 1958. I graduated in 1960, so I was there 1958, 1959, and 1960. So I graduated from American University in 1960, got married in 1959 to my childhood sweetheart.

*Q: Where did you meet her?*

BERNSTEIN: We were friends. Our parents were friends. We are still married 46 years later with three children and eleven grandchildren. I am a blessed man.

*Q: Oh yes. I just celebrated my 50th wedding anniversary.*

BERNSTEIN: God bless you.

*Q: How did you find American U?*

BERNSTEIN: I really liked it. I really enjoyed it because they allowed me to start taking some business courses while I was taking my English, math, science, and the regular courses. That helped me get my interest going.

*Q: Well, by the time you came into the real estate business, had Washington moved to an elected Mayor? Had Walter Washington come on board?*

BERNSTEIN: I'm not sure of the dates of when that was. No, I think that's a little later.

*Q: During the Kennedy time maybe?*

BERNSTEIN: My fascination with Kennedy really turned me on to politics.

## Library of Congress

*Q: I was going to ask you, this Kennedy Era really inspired many people. It hasn't happened before or since.*

BERNSTEIN: Totally inspired me. I wouldn't miss a press conference. I read everything. I just thought he was the coolest, neatest guy. He inspired me, made me very proud to be an American and really got me interested.

*Q: How did you find managing apartment houses and other things? Was this a difficult city in which to work?*

BERNSTEIN: No, not at all. That was my base, at my office. I was an entrepreneur. I started out buying old houses like my father did: buying small, old apartment houses, fixing them up, renting them, and syndicating them.

*Q: When you say syndicating, what do you mean?*

BERNSTEIN: Taking investors in the deal for the equity.

*Q: Would you take in investors of the particular place or was it more a syndicated organization?*

BERNSTEIN: No, you go out to your friends, the people you know, and invited them to come in and be a partner in the deal, and they put up money. I put up some money and if a unit, and investment unit, was twenty thousand dollars, I put in twenty and I got a twenty thousand unit free for putting the deal together. That way everybody got a return.

*Q: How was Washington as an investment?*

BERNSTEIN: Always been very good. Real estate has always been the greatest. Next to government it's the best business.

## Library of Congress

*Q: Did you find there was a cycle because of the political process, or was that not that big a deal as far as change of administration, or something of that nature? I mean as far as exchange of property and all that?*

BERNSTEIN: No, you have cycles in real estate, where you have soft markets, but historically, it's been amazing. You'll see things, apartments that you would pay five or ten thousand dollars a unit for and later sell it for two, three hundred thousand.

*Q: Did the civil rights movement have an impact on housing here?*

BERNSTEIN: I remember seeing the whites moving to the suburbs and the blacks moving to the suburbs, too. Now there is a migration back to the city. They are building lots of apartments now. The city is coming back very strong.

*Q: Well, we're sitting right here in Georgetown, surrounded by some quite new looking apartments that before were all part of an industrial complex.*

BERNSTEIN: That's right.

*Q: A paper factory and a flourmill.*

BERNSTEIN: This was the paper mill, and that's why it is called the Paper Mill office building, and that over there was the flourmill. Although, you know, the population back then was 850 thousand, now it's like 550 thousand, the city has really shrunk.

*Q: What has this meant, sort of, real estate-wise?*

BERNSTEIN: It depends what segment of the market. Right now, office buildings make up probably the strongest market in the country. The office market in downtown Washington and apartments are very strong, too.

## Library of Congress

*Q: What about the areas of, I guess, southeast Washington, which have traditionally been predominantly black? Was this an area one had to be cautious about when investing or no?*

BERNSTEIN: Well there were certain areas that were not desirable to go to. But I tell you, the change, for instance, commercially, from 14th Street East to the capitol was substantial. That was not the prime, downtown commercial area. Well, let me say this, in the 1930s and 1940s it was prime, but everything moved west. I would say, especially during the riots, that was not a good area.

*Q: Well, 16th Street sort of burned, and I mean, the whole area.*

BERNSTEIN: 14th, 13th, 12th, 11th, but now from that area all the way to the capitol it's all new office buildings and apartment houses. The transformation has been amazing. Then it was southwest, and now they're going to southeast, and Capitol Hill has expanded. It's just remarkable.

*Q: Remarkable. The riots after the assassination of Martin Luther King came about when? That was 1968. And Robert Kennedy was also killed.*

BERNSTEIN: During that period.

*Q: That was the 1968 election period. That was when the students rioted in Chicago and all that. Anyway, did that sort of send a chill up and down the real estate community because of the destruction of a significant part of Washington, at least that 14th area?*

BERNSTEIN: Yes, you just didn't go down there.

*Q: Did you get involved at all in the politics of D.C.?*

BERNSTEIN: No, not really.

## Library of Congress

*Q: Because I have interviewed Max Kampelman, who was very much involved. Where did Georgetown fit into this? Was it sort of a separate world?*

BERNSTEIN: Separate world, it has always been unique.

*Q: Did you do much here in Georgetown, or was it...?*

BERNSTEIN: No, it was a little too expensive when I started doing deals.

*Q: And also, there hasn't been much change in the housing. The houses are very small.*

BERNSTEIN: It wasn't an area that I got into too much.

*Q: While you were in this real estate business, particularly in the early years, did you get involved at all or interest in international events, did it play any role?*

BERNSTEIN: No.

*Q: How about dealing with embassies and all, or diplomats.*

BERNSTEIN: No, didn't interact with them. When I graduated high school, I took a student tour of Europe for two months and that opened my eyes. I did, coming from a real estate family, observe that a lot of people in Europe not only lived in apartments, but also owned them. Whereas here in the states, everybody rents their apartments other than co-oping them. So, in 1969, when they brought in the condominium laws, I said, "Hey, that worked there, so it's going to work here." I got very active in buying apartments and converting them to condominiums. I think I was the first, or one of the first, to do that in the Washington area, and I had quite a good run and quite a lot of success being in the condominium business in the seventies.

*Q: Had there been laws that inhibited condominiums prior to the change?*

## Library of Congress

BERNSTEIN: There were no laws. If you wanted to own your apartment, you did it through a co-op. The condominium laws didn't come into effect in the late sixties.

*Q: The difference between a condominium and a co-op is that you don't have to get involved with an organization, is that it?*

BERNSTEIN: Well, in a co-op the owner is a corporation. You own stock in that corporation and you have exclusive rights to the apartment, and in many of those there is a board that can decide who lives there or not. With condominiums, you own the fee; you own your unit and the space in your unit. You can buy it and sell it and transfer it.

*Q: Without the inhibiting factors?*

BERNSTEIN: You have more flexibility.

*Q: Was there concern about "white flight" and substandard housing for blacks during this period that you were talking about, the 1960s and 1970s?*

BERNSTEIN: When you say concern, I don't know if that's the proper way to describe it. I was aware of it. It didn't impact what I was doing in real estate.

*Q: Well, I was wondering whether you were seeing a change. One of the major problems of people who consider coming to Washington is the schools. In other words, if you have children, you're really looking at private schooling, which is quite expensive as compared to moving over to Montgomery, Arlington or Fairfax County where the school system is quite good.*

BERNSTEIN: Serious problem. I'm telling you, that's what, in my opinion, was the main cause of the flight of people going to the suburbs. And it is still, to this day, I think, a serious problem, and I am a real fan of this mayor. I think he has brought credibility and financial stability, but the school system is not what it should be.

## Library of Congress

*Q: Being involved in real estate, obviously you're looking at the factors that cause problems, and I think you're absolutely right, that this is the major problem—that young professionals without children, or very small children, are delighted to come to Washington, but as soon as they reach the age that their children start going to school, they really start thinking about, “well, do I want to be here or not?” If they have enough money, they can send them away to a private school, which is not the solution. From the viewpoint of a real estate operative's long experience, what can you do? The real estate community is a very important factor, but can they do anything?*

BERNSTEIN: Well, I think they are trying. I don't know enough about what the issues are, what the problems are or if the charter schools help, but I know with the apartments, although they are mostly not family type apartments, that are being built here, that the school system will get better because the people living here will demand it.

*Q: Well they still seem to be having problems. How did you find the Washington bureaucracy, the city of Washington?*

BERNSTEIN: Bad. Very bad.

*Q: I know, my son-in-law is an architect, had an office a couple of doors down here. He finally moved to McLean, he says this is too much trouble, trying run a...*

BERNSTEIN: There was a time when you called the D.C. government at ten of five and they wouldn't answer their phone. God forbid that the conversation should have to go after 5:00. But I can only reference it as far as doing business.

*Q: Did you find you had to spend an awful lot of time trying to get through to the right officials?*



## Library of Congress

BERNSTEIN: Well, you just have to push. You say getting to know the right officials, but I don't know if that helped. Sometimes it did, I guess. But I personally didn't interact with the city government officials that much; dealing with permits and things like that.

*Q: You were mentioning that almost each decade, you moved into different things. During the 1960s you were doing sort of one thing, the 1970s, another, '80s, '90s. Can you talk about, sort of the moving back?*

BERNSTEIN: Well, yes, when I look back on my real estate career, as I said, I started out buying and selling houses then doing small apartments and fixing them up. Then I started developing garden apartments in the suburbs. I did about seven of those projects. Those were new three story walk-ups. Then I did my first high rise apartment house on P street, near Dupont Circle, and then I did my first office building on 19th and Jefferson Place. Then, in the seventies, as I mentioned, I got into the condominium business. That was a wonderful ride, a wonderful era. In the 1980s I started doing some land development in Loudoun county and buying large tracts, and getting them zoned and approved. Of course, we hit a really bad real estate recession in 1990. We came out of that in pretty decent shape, and ended up buying properties from the RTC.

*Q: RTC being the...?*

BERNSTEIN: The Resolution Trust that was set up to take over the properties that banks have.

*Q: That's part of the savings and loan process?*

BERNSTEIN: Yes. So we bought a lot of properties from there and then, because of our success and forty-year history and track record, started a fund. Historically, you always find the deal and then figure out where you're going to get the money. So by having a fund in place, the money was sitting in the bank, and all you need to do is go out and find the

## Library of Congress

properties. So we started buying office buildings and we also, in the eighties, got into the hotel business. We own and operate some hotels today.

*Q: Washington really has had quite a growth in first-rate hotels, hasn't it?*

BERNSTEIN: Yes, hotel business is good, again, it's something that's cyclical, goes up and down. The economy directly impacts the hotel business.

*Q: When did you start getting involved with political connections, which would lead eventually to your ambassadorship?*

BERNSTEIN: My first political activist position was as Connie Morello's finance chairman.

*Q: Would you mind explaining Connie Morello?*

BERNSTEIN: Connie Morello was a very successful congresswoman from Montgomery County. She's a Republican, and she's in a Democratic area, two to one, so it was a great success, and I was her finance chairman. But, what I need to explain is how I became a Republican. I was a Democrat, being turned on by President Kennedy. I was in London with my wife in the late 1960s. We went to the theater and ended up sitting next to a couple with whom we ended up becoming friends. We went out to dinner, afterwards, and got to know them. It was interesting. They were the same age as my wife and me, they had three kids the same age, they were in business as I was, and he was talking about how this great power, the UK, was nothing but a bankrupt welfare state with a 90 percent tax bracket. That is when I came back and said, you know, I believe in less government, more rights of the individual, lower taxes, more incentive. But I happen to be what I describe as a compassionate conservative; I'm conservative fiscally but I am very compassionate on some of the social issues, like women's right to choose and those kinds of things. So, I came back and, I believe, I voted for Nixon, and that's when I became active as a Republican. One thing my parents taught me was the importance of giving back and being involved in your community, and I have been involved with a lot of

## Library of Congress

community activities. Then I started raising money for politicians, and I became a good fundraiser. So that's how I got into being active. Then I really got active with Bush 41...

*Q: We are talking about George Herbert Walker Bush.*

BERNSTEIN: Yes

*Q: That was in 1988. Were you involved with the Reagan administration?*

BERNSTEIN: No, not involved with them. In fact, it was probably the day after the election, that Reagan was nominated for the second time, that Bush started his Fund for America, and that is when I got active with that.

*Q: Had you met him prior to that?*

BERNSTEIN: Bush? Yes, as vice president.

*Q: As a fundraiser, where do you go, what do you do?*

BERNSTEIN: You call your friends and ask them for money. That's how you do it, that's how I became ambassador. I became very successful at raising money and being in a leadership position.

*Q: Did you find yourself dealing with what became sort of the "neo-con," we call it the right wing of the Republican party? Was that a factor in those days?*

BERNSTEIN: Nope. There was no differentiating in the way you describe.

*Q: Did you continue on this up through his run for the Presidency in 1988?*

BERNSTEIN: Yes.

*Q: What happened after that?*

## Library of Congress

BERNSTEIN: When he was vice president, do mean? Before he became, or once he became?

*Q: While he was vice president, you were...*

BERNSTEIN: I was fairly active. You know, they will have a phone-a-thon to call people to raise money for the Republican National Committee, and you go to that and your raise money. Over a period of time, you develop contacts and relationships and people, and you get to know the supporting cast. You know, you get to know the Andy Cards and the Ed Rogers and, you know, Don Evans and Bob Mosbacher and all the people around him.

*Q: Did you pretty well stick to the Washington, DC area, or did you find yourself going out to other parts of the country?*

BERNSTEIN: Mostly in this area, but both. You end up calling people all over the country. But I love politics, I'm interested in the issues, and I love history. That gets you motivated.

*Q: It does. Well, then, Bush was elected in November of 1988, and took office in January of 1989. What happened then?*

BERNSTEIN: Well, I was active. I was active and, you know, you get to interact and see the president. If I wrote him a note, he would write me back—you see, some of these letters around here are from him—and you get to know him. In fact, I will never forget, in 1990, when that crash came, I was at some reception and I handed him a letter. He had Sununu call me the next day and set up a meeting. I told him I thought what was happening didn't have to happen and that I would like to talk about it. Sununu said you're not the first one to talk to the President about this, and he put together a group of activists, and we met with the Secretary of the Treasury, but they thought we were more of a special interest group and nothing ever came of it. I always felt that if Bush had paid more

## Library of Congress

attention, the economy might not have been impacted like it was. He might have been reelected, you never know.

*Q: Yes, the election on the Democratic side was based on, Clinton saying, "It's the economy, stupid."*

BERNSTEIN: The truth of the matter is the economy did start to recover right before Bush left office, but he didn't get credit for it.

*Q: Just looking at the crash of 1990, what, from your perspective, caused this?*

BERNSTEIN: The government just tightening in on the banks, where the banks had their rules and regulations and they called loans, even performing loans, and people couldn't pay, they would lose their properties. That's just one aspect of it, there is a much broader picture, but that was just one element, because real estate is the backbone of the industry. But, I got my first presidential appointment, which was to go on the commission of the International Trade and Cultural Center, which turned out to be the Reagan building that Chuck Percy chaired. When that went out of business, President Bush 41 appointed me to the board of the Kennedy Center, which is a tenure appointment, and one of the most coveted, sought after appointments that there is and I loved it. I worked my butt off; I served on six committees and was co-chairman of development. I was very active.

*Q: Well, let's go to the trade center. You have worked with Chuck Percy, whom I've interviewed by the way. What were you doing?*

BERNSTEIN: Well, the concept was that, historically, we exported very little because the United States was such a big market, but we anticipated the world was becoming more global, and we needed to compete in the outside markets. We wanted to promote and encourage American companies to go abroad, and that was part of the concept, but then we got into a little conflict, which I never totally understood, in which pressure to put the

## Library of Congress

Environmental Agency into this Reagan building killed this commission. I think that was one of the main reasons the commission went out of business.

*Q: Probably. It sounds like a turf battle. Location is important to an agency, and to how much clout you have. This was 1991?*

BERNSTEIN: 1991 was when I went on the Kennedy Center board.

*Q: It sounds like you fell into what amounts to the governmental real estate business. Where you put your agency and all is very important. Well, now, let's talk about the Kennedy Center. What sort of work were you doing there?*

BERNSTEIN: Fabulous organization. Well, I love the arts. First of all, my good friend, Al and Joe Gilmore, the Ambassador to Switzerland, have been like mentors in my political and Kennedy Center involvement. Al and I, way before any of this, had chaired a committee to redecorate the opera house. So, that's how I developed this interest and love for the Kennedy Center. And then my family was one, when they built it, to support it and be involved financially. But I loved being on that board. I was on, as I said, five committees at one time, while I was on as co-chair of development. I was on the executive committee; the finance committee; the buildings and operations committee; the liaison committee, between the symphony and the Kennedy Center; and the search committee for a new chairman. I spent a lot of time being active in that wonderful institution.

*Q: How did you find the politics of the Kennedy Center? Were there, as in most organizations, politics going on; who's doing what to whom and that sort of thing?*

BERNSTEIN: The only politics I found was when we went to get a chairman. You had Ted Kennedy on the Democrat side and the President on the Republican side having to agree. So, there were some politics, and we picked a great chairman, Jim Johnson. Wolfensohn was before him, but I wasn't on that search. Though Jim Johnson was a Democrat, he

## Library of Congress

was accepted on both sides. This last go around I wasn't involved, I was in Denmark, but I understand they had a problem.

*Q: Yes, one does kind of wonder what difference it makes whether someone is a Republican or a Democrat.*

BERNSTEIN: Just a little turf war.

*Q: I would think that being involved in the Kennedy Center, you're talking about moving into the artistic world, and emotions among artists and performers, and those associated, can run very high and very dramatic, did you find this the case there?*

BERNSTEIN: As a board member I didn't get involved. The President does all the artistic aspects of the Kennedy Center. We are there to support. I found my role, other than giving advice and judgment, was to raise money.

*Q: Was it hard to raise money for the Kennedy Center?*

BERNSTEIN: In the beginning it was a challenge, but they do such an outstanding job. It's a remarkable success story. I think we raised 40-some million dollars from the private sector. The government pays for the structure, and we pay for everything else that goes on inside.

*Q: Was there any effort made at the time to expand the reach of the Kennedy Center, the performances there, to get them out into the rest of the country?*

BERNSTEIN: Oh yes. They do a great job of that. Their outreach is amazing. Their education program is phenomenal. I don't have all the statistics and facts because I have been away from it, but they do a remarkable job in that.

## Library of Congress

*Q: This is a period where the Internet and all came into play. Of course, for passing on word and getting out to people, this had become quite an instrument, was this something...?*

BERNSTEIN: Yes, very much so. You can go on the web site and see performances. One of the nice things that Jim Johnson did was to create a free performance every day of the year. That's been very successful; millions of people come through.

*Q: One other thing, there always seems to be a problem with drawing African Americans to these things. As I attend the museums around here and the Kennedy Center and other things, most of the people you see who we call black are quite obviously foreign diplomats and all that.*

BERNSTEIN: You mean at the Kennedy Center?

*Q: Yes. I mean, was there any...?*

BERNSTEIN: Well, they do a lot to reach out. There is a community board that is there to interact with the local community. They do lots of programs that try to bring the city in. The Kennedy Center is very aware of that. They don't want it to be just a white audience.

*Q: What about when the Clinton Administration came in, this would be from 1993 to 2001. What were you up to?*

BERNSTEIN: I was still active in the Kennedy Center, very active in the Kennedy Center, and still active in Republican politics. It was 1997 or '98 that I went down and had lunch with then Governor Bush.

*Q: In Texas?*

BERNSTEIN: Yes. In fact, when Dan Quayle was vice president, I became very good friends with him, and I think he wanted to run for president and he was interested in me



## Library of Congress

because I was known as a good fundraiser. He was essentially looking for his friends to support him. And I felt pretty bad that I choose to go with Governor Bush rather than Dan Quayle.

*Q: Well, how does this work? Here you are, you've been active, are you kind of, you and obviously other people, sort of window-shopping, you know, sniffing around? Who is going to be the best president, who are you looking at? What do you do? Just sort of, well, check them out?*

BERNSTEIN: Well, they come to you if you're someone that has a good track record and are effective. I knew President Bush 41 and Barbara pretty well over the years of interacting with them and my two appointments, which, when it comes to the Kennedy Center, the president personally picks. And, I knew Marvin Bush, because he lived in Washington, and I knew Dora because she lives in Washington, but I really didn't know George W. But, Mel Sembler, who has also been a great mentor and friend, was a close friend of the Bushes. He was Ambassador to Australia and was looking for people to get involved with George W. He was the one who took me down to Austin, Texas for that lunch with W. Bush, and I was blown away by it. I absolutely came back and said, this guy is the next President of the United States. I was that impressed.

*Q: Had you been affected, or do you have any opinions on this, the doings in Washington after Clinton came in and, two years later, the Republicans basically took over congress Newt Gingrich and all that. How did that impress you?*

BERNSTEIN: I was impressed.

*Q: Was there any problem being an active Republican in a city that is, it seems like, perpetually Democratic?*

BERNSTEIN: Well, I can tell you there was a time when, as a Washingtonian who is Jewish and Republican, there were only two or three of us.

## Library of Congress

*Q: I was going to say that sounds like a pretty sparse group.*

BERNSTEIN: It was, I did not know more than a few people who came from my point of view.

*Q: Well, I was wondering, one of the reasons why, in political life, the Jewish segment of the population, which is really quite small, has such clout is that they give a lot of money. And, this is just a fact, but, they tend to be liberal. So, how did you find yourself, like swimming against the stream?*

BERNSTEIN: In some respects yes, although 25 to 30 percent of the Jewish population voted for George W. Bush. The Jewish community does give a lot of money. One of my early political involvements was with the Republican Jewish Coalition. We just had a meeting last week, and when I first got active the Coalition was just half a dozen guys in leadership positions—Max Fisher, I don't know if you have ever heard of that name, Dick Fox, Gordie Zachs, George Klein, myself. We would go to meetings over at the White House, and we maybe had a couple thousand members. Today there are 41 active chapters 22,000 members, and they have each paid from a thousand dollars up to be a member. It's quite a dynamic organization just celebrated its 20th anniversary.

*Q: Well then, so you were very much involved in the election of 2000, of George W. Bush?*

BERNSTEIN: Yes, I was co-chairman of Team 100, which is major financial contributors: \$100,000 givers.

*Q: Did you get involved in getting out the vote or were you just on the financial side.*

BERNSTEIN: I was on the financial side. Team 100 is a club, and we get together and have speakers and presentations and social get-togethers, and we share a common interest in the philosophical point of view of the Party and the President.

## Library of Congress

*Q: Bush, after a long period of indecision, is elected. What happens with you?*

BERNSTEIN: That was pretty nerve-wracking. Well, being in a leadership position, knowing that if you want to come work for the president, the opportunity is there, and you put your hat in the ring. So many people had said, "You would be a great ambassador." My son had taken over and was running the business. I was able to spend a lot of time, when I was co-chairman of Team 100 raising money and spending time down at the Republican National Headquarters. So, I put my hat in the ring, and they knew that I worked hard and that I did a good job. My wife is a great asset, and a lot of people thought, as a couple, that we would make a good team, in the ambassadorship.

*Q: Ok, well I think this is probably a good place to stop now, and we will pick this up the next time and put it at the end where we are, so we'll pick this up after the election of 2000 is finally over. You put your hat in the ring, and we'll talk about the things you were considered for, what you were thinking about and all, and then what happened and then we'll move into Denmark.*

BERNSTEIN: That's great.

*Q: Okay, today is the 3rd of January 2006, the first interview of 2006. Stuart, lets talk a bit about putting your hat in the ring. Being an ambassador sometimes, getting an appointment, means a certain amount of lobbying. This is a job like any other job, in getting support. Did you find there were any places, I mean, any people or areas where you wanted to let it be known what you wanted all of this?*

BERNSTEIN: Well, being in a leadership position in the Republican Party, I knew that if I did a good job, if I wanted, I would be a candidate. So, there is a formula for that. If you want to be considered for position, being co-chairman of Team 100 is a great inroad. There are approximately 180 ambassadors. Thirty percent are political, seventy percent are career, and many of that thirty percent helped the President get elected. Fortunately,

## Library of Congress

I had a passion for politics and I was just totally ensconced with then Governor Bush and President Bush, and I got very involved in working with his campaign. So, I put my hat in the ring, and I knew all the people around him: Karl Rove and Andy Card and Don Evans and Jack Oliver, and Secretary Powell. I'd known him before, so I think he was a good supporter and booster.

*Q: Well, had you zeroed in on any particular place?*

BERNSTEIN: No, I just let it be known that was interested in Western Europe, which is where most of the politically appointed ambassadorships are anyway.

*Q: Well, how did the process work for you?*

BERNSTEIN: I let these people know that I was interested, and I later found out that there were 2,000 - 3,000 people who wanted the same thing. They narrowed it down to a couple of hundred names and put them up on the blackboard and said, this is who we thought would be best at this place. And, I just lucked out, because I considered Denmark to be one of the top half a dozen out of those 40 so-called non-career posts.

*Q: Well then, I take it the choice eventually ended up with the president?*

BERNSTEIN: Yes, he decides who goes where, and I think he had his inner team of people, that I just mentioned to you, that helped him, made suggestions, but he decided. I later also found out, which I took as a great compliment, that they thought my wife and I could represent the country well with the Royal Family.

*Q: Absolutely. Well, in the family, how did your wife and the rest of the family feel about this sort of process.*

## Library of Congress

BERNSTEIN: Well, they were quite happy and quite excited for us. My son, Adam, has been running the family business for eight years now, and was running it then so I could spend a lot of time in my capacity as co-chairman of Team 100.

*Q: Now when you found yourself nominated to be Ambassador to Denmark, there are always these tremendous forms one has to fill out of financial disclosure and connections. Did this cause any problems with Denmark or not?*

BERNSTEIN: No

*Q: I wouldn't imagine it would.*

BERNSTEIN: But it's a pretty intense six-month process, and I called my good friend, Ken Duberstein and asked his advice on who could help me go through this. And he put me in touch with a law firm that he had recommended to Secretary Powell, and they helped me get through the process. But, you also, at that time, are going to a two-week ambassador school, where I just had the honor of teaching when I came back.

*Q: Yes, I understand you did one. Tell me, when you went to the ambassador school, did you have an idea of what you were getting into? Was it sort of an eye-opener?*

BERNSTEIN: It was an eye-opener. It was very helpful to understand how an embassy operates, and what the job is. But also, besides that, I must have had a hundred briefings. I have to say, when I got to Denmark, I felt pretty well prepared.

*Q: Who briefed you?*

BERNSTEIN: Department heads and agencies of the government. We had in our embassy twelve agencies of the United States government, and I met with every agency before I went over there. Different people within that agency would brief me on the issues and the areas with which they were dealing.

## Library of Congress

*Q: I would imagine, when you go to the ambassadorial school, a significant part of it is telling you what your responsible for, isn't it?*

BERNSTEIN: Yes, of course.

*Q: I don't know how things work, but, you know, you are responsible for the security of your personnel, and this and that, and a lot of fiscal responsibility.*

BERNSTEIN: I would say that fiscal responsibility was a big area, but, I will say this, I found the people in those agencies to be some of the most professional and talented people I've met, and it made me very proud as an American to know we have people dedicated like that working for our government.

*Q: What type of agencies? Can you name some of them that were represented there?*

BERNSTEIN: Commerce, Agriculture, the FBI (Federal Bureau of Investigation, the CIA (Central Intelligence Agency), all the branches of the military, the DEA (Drug Enforcement Agency).

*Q: Well, as you went through the briefing, before you got to Denmark, what type of things were you particularly aware of that were either a major interest to us with Denmark, or needed to be improved or not; sort of unfinished business?*

BERNSTEIN: I would say the challenges had to do with missile defense and trade. I really believe that 9/11, which occurred three weeks after I got there, changed the job a great deal. I was thrown into this war against terror, and everything related to terrorism and counter terrorism. The main responsibility, as I look back on it, was developing a relationship with the leadership of the government, so that when you're sent in by the President or the State Department you can be effective. And, they use you quite a bit, to go in and either ask for things or object to things. But, my overall job was to get in there

## Library of Congress

and present the United States in a positive way. To win friends and influence people, that's what the main job was.

*Q: Well, so you went out there before 9/11. Did you find that you had sort of a job to do, because, as I recall, the Bush Administration in its early time really set a lot of Europeans teeth on edge about some of his policies? Not going along with the international accord and missile...*

BERNSTEIN: Kyoto

*Q: Kyoto, I mean all these things, in a way there are always, because it's just natural, a certain amount of anti-Americanism because we are number one. And I think that the early start of the Bush Administration gave impetus to looking for our flaws, and how was this hitting Denmark when you arrived there?*

BERNSTEIN: Well, there has been a long history of friendship between the United States and Denmark. I was aware and did sense there was some anti-Bush, anti-American feelings because of some of these issues that you talked about, like the International Criminal Court, and Kyoto and the death penalty. And, in fact, my first day in the office, they had set up a courtesy call, this is one of my favorite stories, for me to meet the foreign minister. The day I arrived he made an hour-long speech attacking the United States. Now, they briefed me on this, but they didn't tell me what to say, so I walked in and I said, Mr. Foreign Minister, thank you for that warm welcoming speech you made yesterday in honor of my arrival to Denmark. In other words, I sort of put him on the defensive a little bit, just to throw him off. He started apologizing about public-domestic consumption and that kind of thing, but then I said to him, "Look, our countries have been friends for a long time, I hope you and I can develop a relationship where, if we have a problem we can pick up the phone and talk to each other. Friends don't attack each other in the press like that." And, I sort of backed him up and let him know that's not the way to act. I ended up going to Greenland the following week to celebrate a 50th anniversary of the returning of a naval

## Library of Congress

base to Denmark. Denmark controls, rather, owns Greenland. I don't know if owns is the proper word, but its part of the Kingdom of Denmark. I went with the Prime Minister and developed a relationship with him, so I didn't have to deal with the foreign minister.

*Q: Well let's talk a little about, as you saw, the Politics of Denmark when you got there, and what were the parties and who were some of the prime players?*

BERNSTEIN: The Prime Minister was Paul Rasmussen and a liberal party coalition was in power. I got there in August. There was an election in November and that changed.

*Q: When you got there this was, in a way, what the foreign minister was doing was part of electoral campaign? Appealing to his constituency, would you say?*

BERNSTEIN: Yes, I would say, but he was way out there. He didn't represent the views of the Prime Minister.

*Q: In other words, when you got there you were getting again, I assume from, we'll talk about your staff in a minute, but, you were getting the feeling that the foreign minister was not somebody with whom you have to deal with very well.*

BERNSTEIN: Yes.

*Q: But, you had access to the Prime Minister?*

BERNSTEIN: Yes, and developed a relationship with him. That was good, because I had to deal with him when we had the Afghanistan situation; to go in and ask him for support. He was responsive in a positive way.

*Q: Well, how did we view Denmark's role in the European Union? What sort of a member, I mean there are many members of the European Union, you have Germany and France trying to dominate this, the British were in it but standing off to one side— where did Denmark fit into this?*



## Library of Congress

BERNSTEIN: Danes think the EU is very important, but I have had people say to me that, "off the record, we don't trust our neighbors. We have a thousand-year history of conflict with our neighbors, and it's only because of the United States and NATO that the last 60 years have we felt safe as a nation." They believe in the European Union, but they think the trans-Atlantic relationship is important for their security.

*Q: Well you know the old saying, well not that old saying, but NATO was partly to keep the Soviet Union out, the United States in and the Germans down. I mean, Denmark doesn't have the greatest relationship with Sweden or Norway either. It's a small country and these were, at one time or another, particularly Sweden, rather aggressive powers.*

BERNSTEIN: Well, Sweden played that neutral card. Norway is very active in NATO.

*Q: But, it's out of the European Union?*

BERNSTEIN: Yes.

*Q: Well, were there any particular strains between Denmark and the United States when you got there?*

BERNSTEIN: Nothing serious, other than some of these anti-American, anti-Bush things. I worked very hard at going to everything and meeting with everybody to say "Hey. This is who we are, these are our values, and let the people know that we value what they have to say. And friends can differ, and agree to disagree, and we shouldn't judge on one issue our total relationship."

*Q: Describe how your work went with your DCM and your staff.*

BERNSTEIN: We had what I would describe as a medium sized embassy of about 145 people. If there is anything I'm proud of, it's what I was able to contribute in having a successful working embassy. I did that as a businessman who knows how to run a

## Library of Congress

business and knowing how to empower people. I give Secretary Powell a lot of credit, because we received many, many cables saying take care of the troops. I started out having the best DCM you could possibly ask for.

*Q: Who was that?*

BERNSTEIN: A guy named Larry Butler, who had been there two years, and he stayed there six months and then they made him an ambassador. Then I got another DCM, Sally Light, who was also spectacular, and I think I let the people know in the Embassy, that when they spoke to me or to the DCM, that they were speaking to the same person. I empowered her to run the day-to-day operations. I wasn't there to micromanage. I was there to help these agencies and help everyone there to do their job. I told the leaders they could use me whenever and however they wanted to use me. I'm not there to tell them how to do their jobs, just to be there to support them. We had a very happy embassy. I had made a point of going around. When I first got there, I had lunch with each department. I would go downstairs to the restaurant just about every day and have lunch and sit with different people. I got to know all their names. I believe that you work hard but you have a good time and enjoy your job.

*Q: You're coming from business, and business operates differently than government, and not necessarily to the benefit of either, but, I mean, these are different creatures. You know, the slowness of response of the government, did you find this a problem?*

BERNSTEIN: To certain degree, yes. That's the challenge, and I would say all the time, "Look, I'm a business man, and I know there is bureaucracy and red tape, but let's figure out how to get it done without that," and I challenged people all the time. I wouldn't accept that this or that has to be done that way. Let's just get the job done. Let's operate this like it's a business.

## Library of Congress

*Q: How did you find what were your impressions of the two, I assume they were two major parties in Denmark, or were there more?*

BERNSTEIN: Well, there are eight parties.

*Q: Of this, was there a coalition? Was there a right-left split?*

BERNSTEIN: Yes there was. When I got there, the left was in power. That was in August, and in November there was an election. Sometimes you need a little luck. I wanted to meet with all the political parties, and I met with the head of the liberal party, which is really a conservative group. We had lunch and I was very impressed, his name is Anders Fogh Rasmussen, and I told him before he left the lunch, I said, "You are going to be the next Prime Minister of this country." And sure enough, three weeks later there is a vote and a week after that his party was in power. I told him later, "I talk to the people, I talk to people in the street and I know." So, it was an election and the conservatives came into power. I hadn't written the [U.S.] President a note or anything since I had been there in August, so I called his secretary. I said, "I want to get the President a note. Can you help me out?" Now, the election in Denmark was on the 20th of November, just a few days before our Thanksgiving. So, in couple of days I called the secretary and she said, "Fax it to me. He is leaving for the ranch. I will hand it to him." So I wrote a little note. "Dear Mr. President, I love my job. We had an election and there is a new Prime Minister. If you could call him and congratulate him, it would mean a lot to me and I know he would appreciate it." Two days later, President Bush called him, congratulated him and invited him to Washington. The Prime Minister knew that I arranged that, so after that I was very tight with him.

*Q: What was the role of the Royal Family there? Who was the Royal Family? Talk a little about what you saw.*

BERNSTEIN: Very well respected. Queen Margrethe, married to Prince Henrik, and they have two sons. Frederik, the crown prince, who is now married to Mary from Australia.

## Library of Congress

They also have a son. It is a wonderful, very well respected family; they do a good job. They are inspirational. It is a great marketing tool. It's a real plus. Whatever it costs the government they get it back many times over.

*Q: Well, did you find — I am told that dealing with the Swedish Court the Swedes are very formal, and everything is done just so, and it is a little difficult for Americans to adjust to. How about the Danish Court?*

BERNSTEIN: Well they had their protocol. I did get to know them a little bit socially; not the Queen as much as the Princess Benedikte, her sister and the Queen's children, who I got to know, who I met on social occasions. I did have the opportunity to dance with the Queen at a friend's 60th birthday party. For instance, when you go to a social event, someone brings you over to them, you don't really approach them so to speak, but the crown prince is very personable. A very regular guy, he will make a great king some day. When President Bush 41 came to visit, we went out to visit the Queen at her summer residence for tea, and it was very nice. They are a wonderful, nice family, but they have their rules.

*Q: When you got out there, because I'm doing everything right now pre-9/11 in a way, how did Denmark fit into NATO? It must have been a very small contingent, how well were they into NATO?*

BERNSTEIN: Very much so—participated in all the activities, all the engagements. Denmark gives away about one or two percent of what they make in aid. They participated in NATO, Kosovo, the Balkans, and Afghanistan. They have 500 troops in Iraq, which is a good percentage of their small population. They are strong participants. I know I'm jumping forward, but Denmark had the EU Presidency, which rotates every six months. Denmark had a very successful presidency.

*Q: This is of NATO or the EU?*

## Library of Congress

BERNSTEIN: Of the European Union. One of my challenges was to get them to give Turkey a date to join the European Union. During their presidency they added ten new countries to the European Union, which went from 15 to 25 member nations. This Prime Minister showed great leadership.

*Q: Were the Danes, may I say the Danish populace, at all, I won't say apprehensive, may be the wrong term, but concerned about adding all these countries to NATO and to the European Union after 9/11?*

BERNSTEIN: No, I think it came about because of their leadership. If anybody made it happen, the Danes did.

*Q: Did you get the feeling that the Danes kind of liked to have some other smallish or moderately sized countries come in to help dilute the French-German axis?*

BERNSTEIN: Absolutely.

*Q: Did you get any feel for the Danish-German relationship?*

BERNSTEIN: Look, they are allies, they are friends, but deep down there is a little concern. I will never forget the Prime Minister saying that when it wasn't politically popular to support us on Iraq, he did. He said that the United States was a friend that was had been there for Denmark during World War I, World War II, and the Cold War. Where would Denmark be if it hadn't been for the United States in those situations? I really admired his courage in that.

*Q: Did you find any special relationship with Israel? Denmark had done a magnificent job of helping its Jewish population during World War II, about sneaking them out to Sweden, didn't they?*

## Library of Congress

BERNSTEIN: Yes, that was quite a unique situation, because they did not just help the Jews escape to Sweden, compared to other countries that did not do even that. They took care of their property and took care of their gardens and their businesses, so when they came back, they were there. I mean it was pretty remarkable what they did. But, it is interesting how a lot of Danes went to Israel and worked on the kibbutz in the 1960s. I don't know whether it's the settlement issue or the sense that Israel went from being the underdog to not being the underdog, but at least under the government that was there when I got there, especially the foreign minister, the government was pro-Palestinian and anti-Israel. That changed under the new government. They took a more even-handed approach.

*Q: Well did you find yourself concerned about, I mean obviously this had nothing too much to do with Denmark, but being involved in the Jewish community in the United States in this period? The settlements and, as you say, the increasing, essentially aggression of Israel against the Palestinians, and the Palestinians were now fighting back. Did this concern you or bother you?*

BERNSTEIN: There are three sides to every story. It was not a problem for me, but I can tell that in one of the meetings with the Prime Minister and President Bush, the President asked the Prime Minister for his help in dealing with that issue. In the sense that Arafat—we had information that proved that he was involved with terrorism—runs over to Europe and they pat him on the back and tell him what a good guy he is every time he needs a little lift. That's undermining what we were trying to do. We said, Arafat is the problem and this Prime Minister told Bush he heard what he was saying and would be more even-handed whereas Europe had been more pro-Palestinian. The President really appreciated that.

*Q: Well, let's turn to 9/11. How did that hit you?*

## Library of Congress

BERNSTEIN: It really hit me like nothing has ever hit me in my life, really. I mean, here I am, an ambassador for three weeks, and I am running back to the United States to go to my nephew's wedding for a few days. I am on a Scandinavian Airlines plane from Copenhagen to Washington. The pilot knew I was on the plane, and after we were on there quite a time, almost to Washington, he comes back with this expression on his face that I knew something was wrong. You immediately think, your family, the President. He said, "Mr. Ambassador, I need to talk to you." He takes me right outside the cockpit, and he says, "I'm sorry to tell you, Mr. Ambassador, your country has been attacked. Two planes went into the World Trade Center, one into the Pentagon, and there were five more planes. They have closed the country down; no one can get in, no one can get out." I said, "You have got to be kidding. Are you serious? Is this—I am a businessman, I have been an ambassador for three weeks, and my country has been attacked?" Never in the history of our country has the mainland been attacked. I go into the cockpit and I call the embassy, and they tell me what is happening and what is going on. They said, "I hope you can get the hell back here; we need you." So, the plane went to Iceland and refueled. We went to Bergen, Norway and dropped off passengers. They let me stay on the plane, and at one o'clock in the morning I got back to Denmark. I had left at 10:40 in the morning; I got back there at 1:00 the morning. I went to the Embassy—hundreds of people in front of the embassy at 1:01:30 in the morning, lighting candles and so forth. I went home, I got a few hours sleep, got up at 6:00 and went to work. Thousands came to the Embassy, lighting candles, bringing messages. I went out and talked to the press, I talked to the Embassy staff, all the people concerned about their security. I went out maybe four or five times just to thank all the people for coming to share their respect for those who had died. It changed my life; it changed the role of my job. The day after, there was a memorial service in the church where I spoke, shown live on television. I had bodyguards that I had never had when I first got there, and had those bodyguards until I left.

*Q: Where any Danes killed in the Twin Towers?*

## Library of Congress

BERNSTEIN: No, but there were 70 countries, I believe that...

*Q: Well, what sort of instructions were you getting from Washington? Was it a moving thing all the time? How did you feel?*

BERNSTEIN: Yes, we got lots of instructions and guidance from Washington and so forth. But, you use your good judgment and your good instincts. Security was an issue, but we were given certain guidance on how to do things.

*Q: Was there much of a Muslim community of immigrants or anything that we were knowledgeable of and concerned about in Denmark?*

BERNSTEIN: It's known that there are some terror cells in Denmark. It has traditionally been a safe haven for their families and where they raise money. So there hadn't been any problems in Denmark, but certainly, American ambassadors in Europe were targets, as representatives of our country. They had a pretty good Muslim community. One of the things I was trying to do, was to get the moderates to speak up. Islam is one of the great faiths, and it's not in the Koran to kill people to get their political points of view across, and there are moderates that need to speak up. For some reason, they don't do it like they should.

*Q: I know. The response to this was just very poor.*

BERNSTEIN: I tried to encourage them to do that, but they didn't.

*Q: Did the Danish security people did you feel you, and obviously your security officer and others in the Embassy, feel that the Danish security people had a pretty good fix on who was in Denmark and problems there?*

BERNSTEIN: Yes. Between our intelligence and their intelligence I felt we were in pretty good shape as to what's going on and what's happening.



## Library of Congress

*Q: Did they move into taking any action, either expulsion or tightening controls?*

BERNSTEIN: Yes, that's why I've described the job changed quite a bit, because I was sent in to ask them to do all kinds of things; tighten up some of their rules and regulations that prevented money laundering and the financing of preaching hate and terrorism, and they did a good job of that. I talked with their justice department on those kinds of issues.

*Q: How about the Embassy? Was the Embassy in a place where it was susceptible to car bombs and that sort of thing?*

BERNSTEIN: Yes, I would say our security wasn't the best, but Washington was very responsive and gave us the security building that we requested to be built. Before 9/11, the first contact was inside the Embassy. We had a little building built where they had to go through security before they came into the Embassy. That was a concern for our security. We are off the street, but not that much.

*Q: What sort of things were we asking the Danes to do early on?*

BERNSTEIN: Well, I think I just mentioned changing some of their laws in cooperation. We had a unique and special relationship with them in sharing intelligence. They are in the top category of friends in that area. That was one of the main things, being able to stop the flow of money and tightening up. They were just great. They were there for us so many times; in Afghanistan; in Iraq; sending in forensic people, whatever we would ask them for.

*Q: Well, what was the initial response when we went into Iraq? Was there any problem with that?*

BERNSTEIN: Well, I would say the first protest in front of the embassy might have had 15,000 people. But, over a period of time, when the leadership of the government took a position that it was the right thing to do, it kept dwindling and dwindling down to just a few

## Library of Congress

hundred people. So, it was not politically popular, and there was some resistance, but the Prime Minister stood up, and got his government to agree.

*Q: The Prime Minister was who?*

BERNSTEIN: Anders Fogh Rasmussen. He has been elected for his second term, and one of my proudest accomplishments is arranging his meetings with the President in the oval office.

*Q: When was the first one?*

BERNSTEIN: The first one was in spring of 2002. The Prime Minister was elected in November of 2001, and Bush met with him every year I was there. There are nearly two hundred countries, and not every Prime Minister gets to meet with Bush every year, but I was able to be part of the process of developing a good friendship and a relationship between these two leaders. The results are fun for me, because I get to get go in for 15 minutes before and brief the President on what we are going to talk about.

*Q: On the first one, for example, what was it? Was it just thanks for support or were there issues to be discussed?*

BERNSTEIN: Well, I think the President briefed him on certain world events that they were involved in, and I think, to a large degree, it was to get to know each other. I think it was at that meeting when he talked about Arafat, the Middle East, Israel, Afghanistan, and the different issues. There were three different topics, and I got to see how you sit in a meeting with the Secretary of State, the Vice President, and the National Security Advisor. The President does all the talking, he knows all the issues, he's charming, he's personable, he is funny, he is serious, he is tough, he is strong, he is a great leader. It really impressed me and people don't see this. There was one meeting where the Vice President and the Secretary of State spoke up when they talked about Iran and their concern.

## Library of Congress

*Q: While you were in the post 9/11 period, particularly when we were getting ready to go into Iraq and Secretary Powell went to the UN, how was this playing in Denmark? Because, obviously the Germans didn't go along with us, and I was wondering whether there were divisions within the Danish political base or not?*

BERNSTEIN: Within the government, the Prime Minister had to do some arm-twisting and convincing, but he got it done. They passed legislation to support it and send troops, and that was big.

*Q: Oh, it was very big. Speaking of the Germans, did you have much of a relationship with the German Ambassador? This was a difficult period, where the Chancellor was, a little later, running on essentially an anti-American platform.*

BERNSTEIN: My sense was that I had a nice relationship with the German Ambassador and the French Ambassador. My sense was that the German Ambassador was more pro-American than the Chancellor, and was almost apologetic, through body language and other things. One of the things about the job that made me appreciate the importance of personal relationships and diplomacy. It can make a difference. It is a shame that more people don't have the opportunity to know each other, because I think there would be less war.

*Q: I think so too.*

BERNSTEIN: All people are basically the same. They all have their human side to them.

*Q: Well, this is, of course, one of the things that has been floated out there—I think Newt Gingrich has sort of gone out on a limb on this—saying we don't really need ambassadors. We have the telephone and the fax machine. It is silly.*

BERNSTEIN: Very silly. Do you really think he believes that?

## Library of Congress

*Q: I don't. I think he shoots off sometimes.*

BERNSTEIN: Sometimes from the hip, and he might make a statement taken out of context. There might be some posts or there might be situations, but I can't tell you how rewarding and gratifying it was from the President when he said to me "you did a good job." And I did, I worked hard at it.

*Q: Well, your reputation in the Foreign Service, which can be rather critical of non-career ambassadors, and career ones too, is good. Was there any anti-American thread somewhere in the Danish body politic or not?*

BERNSTEIN: Other than that former foreign minister... You have to differentiate. I think—and this is not just Denmark—people generally like Americans. They don't always agree with some of our policies, and you have to differentiate between that. We need to do a better job of selling ourselves; we are good people, people with good souls; promoting freedom and democracy for all people.

*Q: I would think that the German Chancellor, I can't think of his name...*

BERNSTEIN: Schroeder.

*Q: Schroeder was able to touch something within the German body politic about anti-Americanism.*

BERNSTEIN: They have got the highest immigration from the Muslim world of any other country in the world, I believe. Maybe as high as ten percent or something like that. Politicians start appealing towards that minority because these elections often boil down to a couple of percentage points. So you go to a certain group and you start telling them what they want to hear.

*Q: There wasn't any significant group within Denmark?*

## Library of Congress

BERNSTEIN: No. I think the Muslim population is four percent, maybe.

*Q: As things progressed, did you find that you were able to soften the impact of the initial start to the Bush administration, as was mentioned before. It was a bit hard for Europe to take; rejecting the Anti-Ballistic Missile [Treaty], the World Court, and there were other areas. Did you find that those sort of receded into the background?*

BERNSTEIN: Yes. As a result of, you mean, this war on terror, Afghanistan and Iraq?

*Q: What were your own efforts in all of that?*

BERNSTEIN: Someone important once said to me “As an ambassador you get credit for what others do. Take it.” So I'm taking it, but it is always a team effort. You know that. I think I developed a successful relationship with all the leaders of the government and most of the ministers. I think that does make a difference. When you say “Look, we need you, this is time for a friend to stand up and be there”, it is very important. The President said to the Prime Minister at one of the visits, or maybe it was the Vice President, “I just want you to know how much we appreciate your friendship because it shows that we're in this together”. It's not just an American problem. They believe it. I had a briefing, a high level briefing. The eight American Ambassadors from the five Nordic and three Baltic countries would get together a couple of times a year. Well, we actually met three times, once in the United States once in the Nordics and once in the Baltics, we would take turns going back and forth. We had a high-level, two-hour briefing. The CIA put together a policy brief to help us realize: Who is the enemy? How do they think? How do they operate? How do they work? The bottom line was that there are a billion two hundred million Muslims, and a hundred million of them are totally fanatical. That is a lot. We can't kill them all, but by changing the value system—you are talking about a segment of the populations that say, if you believe in human rights, if you believe in capitalism, if you are a Christian, if you are a Jew, if you wear short skirts, if you drink alcohol, you are a bad person, really. And, it is OK to kill if you are a threat to them and their beliefs. Only through changing the value

## Library of Congress

system can you really overcome that, you can't kill them all. So I think Bush's promoting democracy, some form of democracy, in that part of the world is the only answer.

*Q: There is concern though that, eventually, yes if you have a democracy what will be voted in is a very strict Muslim society, but you have to live with that.*

BERNSTEIN: There have been secular Muslim countries that have worked. It doesn't have to be exactly the way ours is. It has been proven that people that share the same values; they don't really go to war with each other.

*Q: Did Denmark have much an interest, outside of good financial support, in areas of Africa, helping them? They have always had problems. I don't know if Sudan was a problem, but did they get involved in international aid type things?*

BERNSTEIN: That's what I was referring to when I earlier mentioned they are probably number one in aid to African countries.

*Q: Were there any particular areas where we would join with them or work with them during your times?*

BERNSTEIN: Maybe certain agencies within the Embassy might have been involved in some capacity, but not in a personal way.

*Q: You didn't have to push it that hard? They were doing their thing. What about on the commercial side; any particular issues that came up?*

BERNSTEIN: We had a young American Chamber in Denmark that I put a lot of time and effort into and built up substantially. I was very proud of that. There has been, in the last several years, an effort to promote American companies outside of the United States. We traditionally had such a large market that we never put a lot of work or emphasis in that, but we have changed that quite a bit. I spent a lot of time being a businessman and enjoying it, and helping American companies over there. I visited all the major Danish and

## Library of Congress

American companies to understand what they do and how they operate; wherever I could assist them and work with the agency in the Embassy.

*Q: Did you see any—you came from a businessman's point of view—any particular areas of the Danish-American commercial connections, any problems there?*

BERNSTEIN: Denmark is not a large market for us, but as a region and a gateway it is important. We tried to help American companies and promote it as a region. I would say some of the trade issues I got into were EU things, not Denmark things. The EU plays politics just like we do. I remember, I went to see the agriculture minister, and this had been a longstanding issue where they don't allow our beef because we use hormones, and we don't allow their potted plants in our country. I said, "Let's make a deal. You get that beef over here and I will help you with your potted plants", because we were playing games with them on that. We made some progress but we never got there.

*Q: Where is it the Danes stand on the European Common Agricultural Policy, which seems, particularly, to benefit French and German small farmers.*

BERNSTEIN: Well they hide behind the European Union and say, it's the European Union, it's not us, but it is them, too. I don't know about that particular issue.

*Q: You mentioned, while you were there, Denmark took the Presidency of the European Union for six months. This always makes our embassy, wherever it happens, kind of busy because it gives a window onto the operations of the European Union. How did that work for you?*

BERNSTEIN: It was a busy time. Washington sent us a couple of extra people to help out. They were so good at keeping us Denmark informed on what was happening. I would say helping them in our own special way wherever we could to get this enlargement was there main focus. And then, also getting them to give Turkey a start date. In fact, I was even back here on holiday and flew back to Denmark over the holiday to help convince the

## Library of Congress

Prime Minister. They knew I had this relationship, and they needed his leadership because Europe was leaning towards not giving them a date to start a date until 2006. Well, our country wanted 2004, the Prime Minister said, maybe I can get 2005. To make a long story short, they did deliver December 2004, which is making us happy. That is how you can try to have personal relationships that influence.

*Q: Did you see the Danes reaching out to some of the, we talked about this before, some of the smaller countries, particularly Baltic countries? They are a Baltic country and they see the Baltic countries as being a traditional close relationship.*

BERNSTEIN: Listen, the Baltics are the buffer for Russia. Russia is still big there. The Baltics were very important. Denmark, Sweden and Norway have done so much. If it weren't for their contribution, what they did socially, politically and militarily, they never would have gotten to that point that they got to. They deserve a lot of credit.

*Q: Did you have much contact with the ambassadors from those countries?*

BERNSTEIN: Yes. Well, when you say a lot of contact, the way it works is once or twice a week there is a national day, a reception, or an event where we all go and meet with each other. Whether it's the bank giving a reception for all the ambassadors, and that's where we exchange ideas, we share information, we send messages and talk to each other and lobby each other. A lot of work is done at these things.

*Q: I have heard that Denmark, traditionally, has a big gathering on the Fourth of July. Was this happening when you were there?*

BERNSTEIN: Oh yes, that's one of my highlights. Very moving, very touching experience for me that the largest celebration of the Fourth of July outside the United States is in Denmark.

*Q: Why is that?*



## Library of Congress

BERNSTEIN: Well, a Dane immigrated to the United States, and made a lot of money, and noticed that we have national parks here in the United States, and Denmark didn't have any. So he went back and he gave a few remarks and read a statement from the President. They get a Danish speaker and an American speaker to recognize or honor. It's a very moving, very touching weekend.

*Q: Did you get any high level visits while you were in there?*

BERNSTEIN: Congressmen, senators, generals, the head of NATO, the head of Joint Chiefs of Staff, the Vice President, the former President... President Bush came, but two months after I left. Secretary Powell came twice, and that was always exciting and challenging.

*Q: Oh yes. Do you want to talk about your wife and her activities there?*

BERNSTEIN: I really pity those ambassadors who don't have a spouse to help them do the job, because it is an important part of the job. First of all, my predecessor had seven kids and four dogs or something like that. The house was really quite a mess. My wife has great taste, and we decorated the house. She did a magnificent job. Then, there is the Art in Embassy program, a very successful program. Especially in Denmark, they really appreciate and admire American art, and my wife loves art. She did a magnificent job getting all the great American artists. It was a wonderful home, on 14 acres. We had a pool and a tennis court and we loved entertaining. I would say two or three times a week we were entertaining—giving parties, cocktail receptions, breakfasts, lunches, and she put them all together. She arranged it, she did it, she organized it. Then she would go with me to a lot of events. So, she was quite busy, quite active. She also wanted to show the Danes how we in America raise money for charities and she got involved with breast cancer. They have such high taxes and they figure the government has to take care of all the charities, not like we do it here in America. So she was quite a help.

## Library of Congress

*Q: Were there any problems with Americans in Denmark? Sort of like protection or welfare or any of that kind of thing?*

BERNSTEIN: The consular section has to do with everything involving Americans. I think we had one American in jail over there for some drugs or something. If somebody dies, you have to make the arrangements, ship the body back, but no serious problems.

*Q: Visas, I take it?*

BERNSTEIN: Oh yes, people with lost passports and visas are a challenge. I was warned before I went there that everybody and their friend is going to come to you for a visa, but the Danes can come for 90 days without a visa.

*Q: You mentioned that your secretary would give you cards on what you did in a day. I was wondering whether you could select a couple of days, just to run through it, just to get a feel for what an ambassador does?*

BERNSTEIN: Sure. My son came over to see me after I had been there about five months, just to check me out and see what I was doing. I remember him saying to me, "Gee dad, I didn't realize this was a real job." I like to get up early and exercise, so I would get to the office probably 9:00 or 9:30. These are long days, and only through exercise did I find that I could keep up the stamina. Then you had meetings. They schedule you for people coming in to visit, or people in the government, people in the embassy and you deal with—we would have our country team meeting once a week where you would meet with all the department heads. Every new person that came to the Embassy, we would meet them. We would meet the different ambassadors when they would come to the country. Every morning I would meet with my DCM and go over the schedule. We would get hundreds of invitations to events and things, and decide which to attend. I will give you a couple of typical days in a minute, but just generally speaking, you are meeting all day long and then

## Library of Congress

there are receptions in the afternoon and dinners and receptions at night, that you are either hosting or attending.

*Q: Just give us a feel for receptions and dinners. Did you have your own personal agenda for what you are going to do at a reception, rather than just say howdy and move around? Would you usually go with somebody to get in touch with?*

BERNSTEIN: I worked hard at reaching out to all the different communities, to put a good face on. We were there three and a half years, and we had 300 houseguests. We had 300 dinners, cocktail receptions, or lunches. We probably had 15,000 people that we entertained over that period of time. We would do formal dinners for 26 to 50-some and then cocktail receptions. If a congressman, senator, or a business leader would come, we would do a dinner around them, or a cocktail reception, or a party. We would invite Danes of different areas of businesses, communities, and areas of government to come.

*Q: Did you find that you had to dig into your own funds, or did the government funds carry you through?*

BERNSTEIN: No, I had to spend my own money. As a businessman, I can afford to do that. It is a shame that the career can't do it, because I think it is such an important part of the job. I had just about every minister, I had the Prime Minister, I had the foreign minister, I had all the political parties, I had the top business people, the movers, the shakers, the common people—you name it. I did events around anyone who was coming there. Here is one where we had the 10:00 to 10:30, let's see, 10:011:00 we had the country team meeting. Then, I met with the head of the CIA and the head of the military guys. Then, from 11:011:30, I met with the agriculture group, then from 12:01:30 American Club luncheon, where I did a speech. Then, 2:33:00, I had a briefing on the inspection that was coming in. Then a meeting with my military attach# from 3:03:30. Then from 3:34:00, I went over with the public affairs guy for the speech I had to make the next day. Then, from 4:35:00, I met with someone from Homeland Security. Then, from 5:06:00, a reception

## Library of Congress

for the South African National Day. Then from 7:30 on, I hosted a dinner in honor of the military intelligence guy for Denmark. So that's one day. Let's see if we can find another day—meetings all day.

*Q: It sounds like, you know, some people, I think, get into it not realizing what they are getting into. They think, well, it would be kind of fun to be called an ambassador.*

BERNSTEIN: Well, it is fun, but it is a job. Every agency in the government wants a little piece of you; wants you to meet with this one or do this or that thing. I gave a lot of speeches and I met with all kinds of groups in business and political spheres. One of the things I did, I'm just looking here, one of my days. I had a houseguest. Once a month I do a happy hour, for all the employees to celebrate everybody's birthday, and when they arrive and when they leave. Leonard Lauder was a houseguest, I had dinner for him; a luncheon, meetings... It is just amazing.

*Q: Did you find you had a good professional staff at your home that could take care of this?*

BERNSTEIN: Yes, outstanding, absolutely fabulous. We had a house manager, we had a chef, we had a butler, we had a maid, and we brought some of our help with us and we had two gardeners. But they worked. Between our houseguests and entertaining we kept them pretty busy. It was quite a smart staff, and a wonderful staff.

*Q: So how did you find the media?*

BERNSTEIN: Basically pretty friendly. Not really...

*Q: Not yellow sheet?*

BERNSTEIN: No. Sometimes they would try to trick you, but I found them to be generally friendly.

## Library of Congress

*Q: You had a good Public Affairs Officer to guide you through?*

BERNSTEIN: Excellent, excellent. I just can't say enough about the Embassy and the people.

*Q: You were saying that you had an inspection when you were there and it went quite well?*

BERNSTEIN: I was so overwhelmed. I was blown away by the pretty good report that we got. They committed a couple of weeks and half a dozen people. They talked to everybody; they checked me in and out. In fact, Deputy Jones, the assistant Secretary for Europe, she likes to meet with the inspectors. This is the greatest compliment I ever got, she said, "Clone this guy because he is doing a good job." She said that at a dinner I hosted for the defense minister when he came to town.

*Q: What about the universities? Sometimes these become a hotbed of neo-Marxism or anti-Americanism. I mean, these are kids who are kind of flexing their muscles. Did you find this a problem?*

BERNSTEIN: No. I told you I interacted with all the communities, all the universities, and visited the entire country, and not a problem. I have to tell you, of all the organizations and institutions that I interacted with, the exchange programs do more to foster goodwill and understanding between our country and Denmark and other areas than anything I have come across. It is just a wonderful thing.

*Q: Various exchange programs sometimes get downplayed, but in the long run, it is a long term investment that is repaid 100 times. Did you find that there was a problem after 9/11 of issuing visas? Was this a problem?*

BERNSTEIN: Oh yes, oh yes. All new rules and regulations, it was a challenge, but probably not as bad in our country as in others.

## Library of Congress

*Q: Well, now you left there in, what, 2004?*

BERNSTEIN: 2005, early part of 2005. It's a four-year post. You serve one term, and it takes you a few months before you get over there, so I was there about three and a half years. It was the greatest experience of my life.

*Q: We'll just tie it up. What did you do when you came back?*

BERNSTEIN: Well, back to my business, though my son is running it, so I'm just, really, part-time, but I have a base here, so to speak. Community service, which I have always been involved and active in. One thing I'm trying to get out of is going back in the fundraising business. That's been a problem. I just hosted a couple of things for a couple of people and so forth. It was the greatest honor of my life and the greatest experience and it was the most rewarding thing I have ever done. I am proud of what we accomplished and there were many highlights but many challenges. We didn't get to talk about this missile defense too much, but it was a major accomplishment for us.

*Q: Well, we have a minute, can we talk about that?*

BERNSTEIN: Sure. During the Cold War, we had 6,007,000 missiles aimed at the Soviet Union; they had the same at us. In Greenland, which is part of Denmark, we had Thule Air Force base, which is where we had our early warning radar system. The fact that we could blow each other off the face of the Earth is a good policy and deterrent that prevented us from doing it. Now we are faced with rogue nations who, if they could get weapons of mass destruction, could do real harm. So we develop this technology called missile defense, which is like a bullet hitting a bullet. That's how unbelievable it is. Denmark could be a crucial place where this could eventually be an area for us, a hub for missile defense. The Greenlanders have home rule, and the Danes can't just make decisions without them going along with it. So, we had to come up with a negotiation between Denmark, Greenland, and the United States where economic and social issues all hung in the

## Library of Congress

balance to make this happen. We concluded this negotiation after a year and a half, which is something that could be very important.

*Q: Was this essentially to put these anti-ballistic missiles into Greenland?*

BERNSTEIN: Well, we don't know what the future will hold. As of right now, we just wanted to upgrade our radar systems so that we could deal with that. But that is a possibility down the line.

*Q: Well, we will stop at this point, and I thank you very much.*

BERNSTEIN: I thank you. It has been fun, too. I'd also like to add that diplomacy really can make a difference. What was so rewarding about this experience was that the personal relationships I developed with the leaders of government truly made a difference.

End of interview